



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2014 REGULAR SESSION

HOUSE BILL NO. 28

AS ENACTED

MONDAY, MARCH 31, 2014

RECEIVED AND FILED
DATE April 10, 2014
1:24pm
ALISON FUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

1 AN ACT relating to the Code of Legislative Ethics.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔Section 1. KRS 6.611 is amended to read as follows:

4 As used in this code, unless the context requires otherwise:

5 (1) "Adversarial proceeding" means a proceeding in which decisions are made based
6 upon evidence presented as measured against established standards, with parties
7 having the right to appeal the decision on the record to a court.

8 (2) (a) "Anything of value" includes the following:

- 9 1. A pecuniary item, including money, or a bank bill or note;
- 10 2. A promissory note, bill of exchange, order, draft, warrant, check, or
11 bond given for the payment of money;
- 12 3. A contract, agreement, promise, or other obligation for an advance,
13 conveyance, forgiveness of indebtedness, deposit, distribution, loan,
14 payment, gift, pledge, or transfer of money;
- 15 4. A stock, bond, note, or other investment interest in an entity;
- 16 5. A receipt given for the payment of money or other property;
- 17 6. A right in action;
- 18 7. A gift, tangible good, chattel, or an interest in a gift, tangible good, or
19 chattel;
- 20 8. A loan or forgiveness of indebtedness;
- 21 9. A work of art, antique, or collectible;
- 22 10. An automobile or other means of personal transportation;
- 23 11. Real property or an interest in real property, including title to realty; a
24 fee simple or partial interest, present or future, contingent or vested,
25 within realty; a leasehold interest; or other beneficial interest in realty;
- 26 12. A rebate or discount in the price of anything of value unless the rebate or
27 discount is made in the ordinary course of business to a member of the

- 1 public without regard to that person's status as a legislator;
- 2 13. A promise or offer of employment; or
- 3 14. Any other thing of value that is pecuniary or compensatory in value to a
- 4 person, or the primary significance of which is economic gain.
- 5 (b) "Anything of value" does not include:
 - 6 1. A campaign contribution properly received and reported, if reportable,
 - 7 as required under KRS Chapter 121;
 - 8 2. Compensation, food, beverages, entertainment, transportation, lodging,
 - 9 or other goods or services extended to a legislator by the legislator's
 - 10 private employer or by a person other than a legislative agent or
 - 11 employer;
 - 12 3. A usual and customary commercial loan made in the ordinary course of
 - 13 business, without regard to the recipient's status as a legislator, and by a
 - 14 person or institution authorized by law to engage in the business of
 - 15 making loans;
 - 16 4. A certificate, plaque, or commemorative token of less than one hundred
 - 17 fifty dollars (\$150) value;
 - 18 5. ~~Informational or~~ Promotional items of less than fifty dollars (\$50);
 - 19 6. Educational items;
 - 20 7. Informational items ~~[Food and beverages consumed on the premises];~~
 - 21 8. The cost of attendance or participation, and of food and beverages
 - 22 consumed, at events:
 - 23 a. To which all members of the Kentucky Senate or the Kentucky
 - 24 House of Representatives, or both, are invited;
 - 25 b. To which all members of a joint committee or task force of the
 - 26 Kentucky Senate and the Kentucky House of Representatives are
 - 27 invited;

- 1 c. To which a caucus of legislators approved as a caucus by the
- 2 Legislative Research Commission is invited;
- 3 d. Sponsored or coordinated by a state or local government entity,
- 4 including a state institution of higher education, provided that the
- 5 cost thereof is covered by the state or local government entity or
- 6 state institution of higher education; or
- 7 e. To which an individual legislator is invited that are held in-state,
- 8 and for which the legislator receives prior approval from a
- 9 majority of the Legislative Research Commission~~[- Costs of~~
- 10 ~~admittance or attendance, or the value of food or beverages~~
- 11 ~~consumed at these events shall not be considered anything of~~
- 12 ~~value. Transportation, lodging, and other ancillary expenses related~~
- 13 ~~to attendance or participation in these events shall be included in~~
- 14 ~~the definition of anything of value];~~
- 15 9. Gifts from a person related by blood or marriage or a member of the
- 16 legislator's household;
- 17 10. A gift that:
- 18 a. Is not used; and
- 19 b. No later than thirty (30) days after receipt, is returned to the donor
- 20 or delivered to a charitable organization and is not claimed as a
- 21 charitable contribution for federal income tax purposes;
- 22 11. The cost, paid, reimbursed, raised, or obtained by the Legislative
- 23 Research Commission, for attendance or participation, and for food and
- 24 beverages consumed at, and funds, goods, and services provided for
- 25 conducting events sponsored or coordinated by multistate or national
- 26 organizations of, or including, state governments, state legislatures, or
- 27 state legislators if the attendance and expenditures~~[- by the legislator]~~ are

- 1 approved in advance by the Legislative Research Commission;
- 2 12. The cost of attendance or participation provided by the sponsoring
- 3 entity, of lodging, and of food and beverages consumed, at in-state
- 4 events sponsored by or in conjunction with a civic, charitable,
- 5 governmental, trade association, or community organization~~{ if the event~~
- 6 ~~is held within the Commonwealth of Kentucky}~~;
- 7 13. A gift or gifts from one member of the General Assembly to another
- 8 member of the General Assembly;
- 9 14. Anything for which the recipient pays or gives full value; or
- 10 15. Any service spontaneously extended to a legislator in an emergency
- 11 situation.
- 12 (3) "Associated," if used with reference to an organization, includes an organization in
- 13 which an individual or a member of the individual's family is a director, officer,
- 14 fiduciary, trustee, agent, or partner, or owns or controls, in the aggregate, an interest
- 15 of ten thousand dollars (\$10,000) or more, or an interest of five percent (5%) or
- 16 more of the outstanding equity;
- 17 (4) "Business" means any corporation, partnership, sole proprietorship, firm, enterprise,
- 18 franchise, association, organization, self-employed individual, holding company,
- 19 joint stock company, receivership, trust, professional service corporation, or any
- 20 legal entity through which business is conducted for profit;
- 21 (5) "Business associate" includes the following:
- 22 (a) A private employer;
- 23 (b) A general or limited partnership, or a general or limited partner within the
- 24 partnership;
- 25 (c) A corporation that is family-owned or in which all shares of stock are closely
- 26 held, and the shareholders, owners, and officers of such a corporation;
- 27 (d) A corporation in which the legislator or other person subject to this code has

- 1 an investment interest, owns, or has a beneficial interest in shares of stock
 2 which constitute more than:
- 3 1. Five percent (5%) of the value of the corporation; or
 - 4 2. Ten thousand dollars (\$10,000) at fair market value;
- 5 (e) A corporation, business association, or other business entity in which the
 6 legislator or other person subject to this code serves as an agent or a
 7 compensated representative;
- 8 (6) "Candidate" means an individual who seeks nomination or election to the General
 9 Assembly. An individual is a candidate when the individual:
- 10 (a) Files a notification and declaration for nomination for office with the
 11 Secretary of State; or
 - 12 (b) Is nominated for office by his or her party under KRS 118.105, 118.115,
 13 118.325, or 118.760;
- 14 (7) "Charitable organization" means an organization described in 26 U.S.C. Sec. 170(c)
 15 as it currently exists or as it may be amended;
- 16 (8) "Child" means the unemancipated minor daughter, son, stepdaughter, or stepson;
- 17 (9) "Commission" means the Kentucky Legislative Ethics Commission;
- 18 (10) (a) "Compensation" means:
- 19 1. An advance, salary, conveyance, forgiveness of indebtedness, deposit,
 20 distribution, loan, payment, gift, pledge, or transfer of money; or
 - 21 2. A contract, agreement, promise, or other obligation for an advance,
 22 conveyance, forgiveness of indebtedness, deposit, distribution, loan,
 23 payment, gift, pledge, or transfer of money for services rendered or to be
 24 rendered;
- 25 (b) "Compensation" does not include reimbursement of expenses if:
- 26 1. The reimbursement is equal to, or less than, the amount paid for the
 27 expenses;

- 1 2. Expense records are itemized; and
- 2 3. No portion of the reimbursed expense is used to give anything of value
- 3 to a legislator, candidate, or the spouse of a legislator or candidate;
- 4 (11) "Economic interest" means an interest distinct from that of the general public in a
- 5 state purchase, sale, lease, contract, option, or other transaction or arrangement
- 6 involving property or services in which a legislator may gain an economic benefit of
- 7 fifty dollars (\$50) or more;
- 8 (12) "Employer" means any person who engages a legislative agent and in the case of a
- 9 business other than a sole proprietorship or self-employed individual, it means the
- 10 business entity, and not an individual officer, director, or employee thereof, except
- 11 when an officer, director, or employee makes an expenditure for which he or she is
- 12 reimbursed by the business entity;
- 13 (13) "Engage" means to make any arrangement, and "engagement" means any
- 14 arrangement, by which an individual is employed or retained for compensation to
- 15 act for or on behalf of an employer to lobby;
- 16 (14) "Ethical misconduct" means any violation of the Kentucky Code of Legislative
- 17 Ethics;
- 18 (15) (a) "Expenditure" means any of the following that is made to, at the request of,
- 19 for the benefit of, or on behalf of any member of the General Assembly, the
- 20 Governor, the secretary of a cabinet listed in KRS 12.250, or any member of
- 21 the staff of any of those officials:
- 22 1. A payment, distribution, loan, advance, deposit, reimbursement, or gift
- 23 of money, real estate, or anything of value, including, but not limited to,
- 24 food and beverages, entertainment, lodging, transportation, or honoraria;
- 25 2. A contract, promise, or agreement, to make an expenditure; or
- 26 3. The purchase, sale, or gift of services or any other thing of value.
- 27 (b) "Expenditure" does not include a contribution, gift, or grant to a foundation or

other charitable organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. "Expenditure" does not include the purchase, sale, or gift of services or any other thing of value that is available to the general public on the same terms as it is available to the persons listed in this subsection;

(16) "Family member" means a person:

(a) Who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of an individual; or

(b) Who is a member of the individual's household, and is dependent upon the individual~~[member]~~;

(17) "Filer" means an individual who is required to file a statement of financial interests pursuant to KRS 6.781;

(18) (a) "Financial transaction" means a transaction or activity that is conducted or undertaken for profit and arises from the joint ownership, ownership, or part ownership in common of any real or personal property or any commercial or business enterprise of whatever form or nature between the following:

1. A legislative agent, his or her employer, or a member of the immediate family of the legislative agent or his or her employer; and
2. Any member of the General Assembly, the Governor, the secretary of a cabinet listed in KRS 12.250, or any member of the staff of any of the officials listed in this subparagraph;

(b) "Financial transaction" does not include any transaction or activity:

1. Described in paragraph (a) of this subsection if it is available to the general public on the same or similar terms and conditions; or
2. Made or let after public notice and competitive bidding or contracts that are available on similar terms to other members of the general public;

(19) "Former legislator" means a person who previously held a position as a legislator

1 and who no longer holds that position;

2 (20) "Immediate family" means an unemancipated child residing in an individual's
3 household, a spouse of an individual, or a person claimed by the
4 individual[individual's spouse] as a dependent for tax purposes;

5 (21) "In-state" means within the borders of Kentucky or outside Kentucky in a county
6 that is contiguous with the border of Kentucky;

7 (22) "Legislation" means bills, resolutions, amendments, nominations, administrative
8 regulations, and any other matter pending before the General Assembly or any of
9 its interim or statutory committees, or the executive approval or veto of any bill
10 acted upon by the General Assembly;

11 ~~(23)~~[(22)] (a) "Legislative agent" means any individual who is engaged:

- 12 1. during at least a portion of his or her time to lobby as one (1) of his or
13 her official responsibilities; or
- 14 2. In lobbying activities as a legislative liaison of an association, coalition,
15 or public interest entity formed for the purpose of promoting or
16 otherwise influencing legislation.

17 (b) "Legislative agent" does not include:

- 18 1. Any person who limits his or her lobbying activities to appearing before
19 public meetings of legislative committees, subcommittees, or task
20 forces, or public hearings or meetings of public agencies;
- 21 2. A private citizen who receives no compensation for lobbying and who
22 expresses a personal opinion; or
- 23 3. A public servant acting in his or her fiduciary capacity as a
24 representative of his or her agency, college, university, or city, county,
25 urban-county, consolidated local government, unified local
26 government, or charter county government, except persons engaged by a
27 de jure municipal corporation, such as the Kentucky Lottery Corporation.

1 or the Kentucky Housing Corporation, institutions of higher education,
 2 or local governments, whose primary responsibility during sessions of
 3 the General Assembly is to lobby;

4 ~~(24)~~~~[(23)]~~ "Legislative interest" means a substantial economic interest, distinct from that
 5 of the general public, in one (1) or more legislative matters;

6 ~~(25)~~~~[(24)]~~ "Legislative matter" means any bill, resolution, nomination, or other issue or
 7 proposal pending before the General Assembly or any interim committee,
 8 committee, subcommittee, task force, or commission of the General Assembly;

9 ~~(26)~~~~[(25)]~~ "Legislator" means a member or member-elect of the General Assembly;

10 ~~(27)~~~~[(26)]~~ (a) "Lobby" means to promote, advocate, or oppose the passage,
 11 modification, defeat, or executive approval or veto of any legislation by direct
 12 communication with any member of the General Assembly, the Governor, the
 13 secretary of any cabinet listed in KRS 12.250, or any member of the staff of
 14 any of the officials listed in this paragraph.

15 (b) "Lobbying" does not include:

- 16 1. Appearances before public meetings of the committees, subcommittees,
 17 task forces, and interim committees of the General Assembly;
- 18 2. News, editorial, and advertising statements published in newspapers,
 19 journals, or magazines, or broadcast over radio or television;
- 20 3. The gathering and furnishing of information and news by bona fide
 21 reporters, correspondents, or news bureaus to news media described in
 22 paragraph (b)2. of this subsection;
- 23 4. Publications primarily designed for, and distributed to, members of bona
 24 fide associations or charitable or fraternal nonprofit corporations;
- 25 5. Professional services in drafting bills or resolutions, preparing
 26 arguments on these bills or resolutions, or in advising clients and
 27 rendering opinions as to the construction and the effect of proposed or

pending legislation, if the services are not otherwise connected with lobbying; or

6. The action of any person not engaged by an employer who has a direct interest in legislation, if the person, acting under Section 1 of the Kentucky Constitution, assembles together with other persons for their common good, petitions any official listed in this subsection for the redress of grievances, or other proper purposes;

~~(28)~~~~(27)~~ "Person" means an individual, proprietorship, firm, partnership, joint venture, joint stock company, syndicate, business, trust, estate, company, corporation, association, club, committee, organization, or group of persons acting in concert;

~~(29)~~~~(28)~~ "Public servant" means an elected or appointed officer or employee of a federal or state agency; state institution of higher education; or a city, county, urban-county, or charter county government;

~~(30)~~~~(29)~~ "State agency" means any department, office, commission, board, or authority within the executive department, and includes state-supported universities and colleges but does not include local boards of education; and

~~(31)~~~~(30)~~ "Through others" means a scheme, artifice, or mechanism, the sole purpose of which is to accomplish by indirect means, using third parties, results which would be unlawful under this code if accomplished directly between a legislator or candidate and another person or entity.

➔Section 2. KRS 6.711 is amended to read as follows:

- (1) The commission shall design the general curriculum of orientation courses, which shall include, but not be limited to, explanations and discussions of the ethics laws, administrative regulations, relevant internal policies, specific technical and legal requirements, summaries of advisory opinions, underlying purposes and principles of ethics laws, examples of practical application of the laws and principles, and a question-and-answer participatory segment regarding common problems and

1 situations. The commission shall prepare the methods and materials necessary to
2 implement the curriculum.

3 (2) The commission shall:

- 4 (a) Administer the orientation courses for legislators;
- 5 (b) Designate instructors to conduct their courses who shall be trained by the
6 commission; and
- 7 (c) Notify legislators regarding attendance in these courses.

8 (3) The orientation courses shall be conducted for new legislators in December of each
9 even-numbered year~~[January of each odd-numbered year]~~. Each course shall be at
10 least two (2)~~[three (3)]~~ hours in length and shall be designed for approval by the
11 Kentucky Bar Association for continuing legal education ethics credits which the
12 bar association may require.

13 (4) To facilitate participant interaction, those portions of the courses dedicated to group
14 participation may~~[shall]~~ be closed to the public.

15 (5) Each legislator shall complete the initial orientation course offered under this
16 section. Each legislator elected after the initial orientation course shall complete the
17 next orientation course conducted. The commission may grant permission for a
18 legislator to attend a later course for good cause shown.

19 ➔Section 3. KRS 6.716 is amended to read as follows:

20 (1) The commission shall design the general curriculum of a current issues seminar,
21 which shall include, but not be limited to, discussion of changes in the ethics laws
22 and administrative regulations, new advisory opinions, current ethical issues
23 confronting public servants, practical application of ethics laws and principles to
24 specific issues and situations, and development of problem-solving skills. The
25 commission shall prepare the methods and materials necessary to implement the
26 curriculum.

27 (2) The commission shall:

- 1 (a) Administer the current issues seminars for legislators;
- 2 (b) Designate instructors to conduct their current issues courses who shall be
- 3 trained by the commission; and
- 4 (c) Notify legislators regarding attendance in these seminars.
- 5 (3) The current issues seminars shall be conducted in January of each year. Each course
- 6 shall be at least three (3) hours in length and shall be designed for approval by the
- 7 Kentucky Bar Association for continuing legal education ethics credits which the
- 8 bar association may require.
- 9 (4) To facilitate participant interaction, those portions of the seminars dedicated to
- 10 group participation ~~may~~~~[shall]~~ be closed to the public.
- 11 (5) Each legislator, after completion of an orientation training course, shall complete
- 12 one (1) current issues seminar annually.

13 ➔Section 4. KRS 6.747 is amended to read as follows:

- 14 (1) A legislator shall not accept any compensation in consideration for an appearance,
- 15 speech, or article unless the appearance, speech, or article is both related to the
- 16 legislator's employment outside the General Assembly and is unrelated to his or her
- 17 position as a legislator.
- 18 (2) A legislator may accept prepaid transportation, food, and lodging or be reimbursed
- 19 for actual expenses for out-of-state travel associated with the performance of his or
- 20 her duties as a legislator if he or she obtains prior approval of the travel from a
- 21 majority of the Legislative Research Commission. However, a legislative agent or
- 22 employer shall not furnish or pay for out-of-state transportation or lodging for a
- 23 legislator. A legislative agent or employer may furnish food, beverages, or local
- 24 transportation for an event held in conjunction with a meeting of a multistate or
- 25 national organization referenced in subsection (2)(b)11. of Section 1 of this Act,
- 26 if the event is conducted in accordance with subsection (2)(b)8.a. to d. of Section
- 27 1 of this Act. The reimbursement of expenses pursuant to this subsection shall be

1 reported to the Legislative Research Commission.

2 (3) Violation of this section is ethical misconduct.

3 ➔Section 5. KRS 6.767 is amended to read as follows:

4 (1) A member of the General Assembly, candidate for the General Assembly, or his or
5 her campaign committee shall not accept a campaign contribution from a legislative
6 agent. Violation of this provision is ethical misconduct.

7 (2) A member of the General Assembly, candidate for the General Assembly, or his
8 or her campaign committee shall not, during a regular session of the General
9 Assembly, accept a campaign contribution from an employer of a legislative
10 agent, or from a permanent committee as defined in KRS 121.015. This
11 subsection shall not apply to candidates for the General Assembly in a special
12 election held during a regular session of the General Assembly. Violation of this
13 provision is ethical misconduct.

14 (3) It shall be a complete defense under this section if the legislator,~~[-or]~~ candidate, or
15 his or her campaign committee receives a campaign contribution from a legislative
16 agent or, during a regular session, from an employer or from a permanent
17 committee, which fact is unknown to the legislator,~~[-or]~~ candidate, or committee at
18 the time of receipt, if the legislator,~~[-or]~~ candidate, or his or her campaign
19 committee either returns the contribution within thirty (30)~~fourteen (14))~~ days of
20 receipt, and within fourteen (14) additional days makes that fact, together with the
21 name of the contributor, amount of the contribution, and the date of return or
22 payment known, in writing to the commission. It shall also be a defense if a
23 legislator,~~[-or]~~ candidate, or his or her campaign committee receives a campaign
24 contribution from a legislative agent whose name does not yet appear on the list of
25 legislative agents and their employers furnished to the Legislative Research
26 Commission if the legislator,~~[-or]~~ candidate, or his or her campaign committee
27 returns the campaign contribution within thirty (30)~~fourteen (14))~~ days of the

Legislative Research Commission's receipt of the list bearing the name of the legislative agent and their employers and makes the written disclosure to the commission required in this subsection. The~~[fourteen (14) day]~~ time periods shall be tolled upon the filing with the commission of a request for an advisory opinion regarding the campaign contribution. Upon the issuance of the opinion or decision not to render an opinion, the time~~[fourteen (14) day]~~ period shall resume.

➔Section 6. KRS 6.811 is amended to read as follows:

(1) A legislative agent or employer shall not knowingly fail to register, as required under KRS 6.807.

(2) A legislative agent or employer shall not knowingly fail to keep a receipt or maintain a record which KRS 6.821 requires the person to keep or maintain.

(3) A person shall not knowingly fail to file a statement that KRS 6.807, 6.821, or 6.824 requires the person to file.

(4) A legislative agent or employer shall not knowingly offer, give, or agree to give anything of value to a legislator, a candidate, or the~~[his]~~ spouse~~[,]~~ or child of a legislator or candidate.

(5) A legislative agent shall not serve as a campaign treasurer, and shall not directly solicit, control, or deliver a campaign contribution,~~[or as a fundraiser as set forth in KRS 121.170(2)]~~ for a candidate or legislator.

(6) A legislative agent shall not make a campaign contribution to a legislator, a candidate, or his or her campaign committee.

(7) During a regular session of the General Assembly, an employer of a legislative agent shall not make a campaign contribution to a legislator, candidate, campaign committee for a legislator or candidate, or caucus campaign committee. This subsection shall not apply to candidates for the General Assembly in a special election held during a regular session of the General Assembly~~[(a) A legislative agent or agents and their employer shall not~~

collectively spend more than one hundred dollars (\$100) in a calendar year on the purchase of food and beverages consumed on the premises for each legislator and his immediate family, collectively.

~~(b) A legislative agent shall not spend more than one hundred dollars (\$100) in a calendar year on the purchase of food and beverages consumed on the premises for each legislator and member of a legislator's immediate family, collectively. This provision shall apply regardless of the number of employers by whom the legislative agent is engaged].~~

(8) An employer shall not knowingly employ, appoint, or retain a serving legislator or former legislator as a legislative agent until at least two (2) years have elapsed from the date on which he or she vacated his or her office.

(9) No person shall engage any person to lobby in exchange for compensation that is contingent in any way upon the passage, modification, or defeat of any legislation. No person shall accept any engagement to lobby in exchange for compensation that is contingent in any way upon the passage, modification, or defeat of any legislation. Violation of this provision is a Class D felony.

(10) A legislative agent or other lobbyist shall not go upon the floor of either house of the General Assembly while the house is in session, except upon invitation of that house. Violation of this provision is a Class B misdemeanor.

(11) If any legislative agent or employer violates any provision in subsections (4) to (8) of this section, he or she shall for the first violation be guilty of ethical misconduct. For the second and each subsequent violation, he or she shall be guilty of a Class D felony.

➔ Section 7. KRS 6.821 is amended to read as follows:

(1) With the updated registration statement required by KRS 6.807(3), each legislative agent, or representative of an organized association, coalition, or public interest entity, and each employer shall file a statement of expenditures as provided in

subsections (2), (3), and (4) of this section. A representative of an organized association, coalition, or public interest entity shall identify the source of the entity or association's funds and financial resources. A legislative agent shall file a separate statement of expenditures for each employer engaging him.

- (2) If an employer or any legislative agent whom he or she engaged made expenditures, either separately or in combination with each other, either directly or indirectly, for food, ~~and~~ beverages, or the costs of admittance or attendance, lodging, or other expenses related to events conducted or approved under subsection (2)(b)8., 11., or 12. of Section 1 of this Act ~~consumed on the premises~~ on behalf of any particular member of the General Assembly or candidate, or his or her immediate family, the employer or legislative agent shall also state the following:

- (a) The name of the legislator, candidate, or member of his or her immediate family on whose behalf the expenditures were made;
- (b) The total amount of the expenditures made;
- (c) A ~~brief~~ description of the expenditures made; and
- (d) The ~~approximate~~ date and specific location of the event for which the expenditures were made.

- (3) In addition to the information required by subsection (2) of this section, a statement filed by a legislative agent shall show:

- (a) The total amount of lobbying expenditures made by the legislative agent during the reporting period covered by the statement, including any expenditures for events conducted or approved under subsection (2)(b)8., 11., or 12. of Section 1 of this Act, if the expenditures are ~~whether or~~ not reimbursed by the employer; and
- (b) Expenditures made ~~Cumulative amounts, except personal expenses, expended~~ by the legislative agent for informational, educational, or promotional items or activities ~~food, beverages, lodging, transportation,~~

entertainment], and other expenses directly associated with the legislative agent's lobbying activities during the reporting period, if the expenditures were not reimbursed by the employer.

(4) (a) In addition to the information required by subsection (2) of this section, a statement filed by an employer shall list:

1. The total amount of lobbying related expenditures made by the employer filing the statement during the period covered by the statement;
2. A complete and itemized account of all amounts expended for receptions or other events conducted or approved under subsection (2)(b)8., 11., or 12. of Section 1 of this Act~~held under subsection (5) of this section~~, including the date and specific location of the event and the name of the group of public servants invited to the event;
3. A complete and itemized account of all other amounts expended for lobbying, including ~~food and lodging expenses and~~ reimbursements paid to any~~, and not including personal expenses incurred by an employer or a legislative agent; and~~
4. The ~~cumulative~~ compensation earned by each~~paid to~~ legislative agent~~agents~~, prorated to reflect the time the legislative agent~~was~~~~agents were~~ engaged in lobbying during the period covered by the statement; and
5. a. The cost of advertising which appears during a session of the General Assembly, and which supports or opposes legislation, if the cost is paid by an employer or a person or organization affiliated with an employer;
b. As used in this subparagraph, "advertising" means statements disseminated to the public either in print, by radio or television broadcast, or by any other electronic means, including Internet

or telephonic communications, and may include direct or bulk mailings of printed materials.

(b) No employer is required to show any expenditure on a statement filed under this subsection if the expenditure is reported on a statement filed under subsection (2) of this section by a legislative agent engaged by the employer.

(5) (a) Any statement required to be filed under this section shall be filed at the times specified in KRS 6.807. Each statement shall cover expenditures made during the period that ended on the last day of the month immediately preceding the month in which the statement is required to be filed.

~~(b) [No portion of the amount of an expenditure for a dinner, party, or other function sponsored by an employer or legislative agent shall be attributed to, or counted toward the amount for a calendar year if the event qualifies under KRS 6.611(2)(b)8., 11., or 12.~~

~~(c) The amount spent for a function described in paragraph (b) of this subsection shall be added with other expenditures to determine the total amount of expenditures reported in the statement under subsections (2) and (3) of this section.~~

~~(d)]~~ If it is impractical or impossible for a legislative agent or employer to determine exact dollar amounts or values of expenditures, reporting of good faith estimates, based upon reasonable accounting procedures, constitutes compliance with this subsection.

(6) All legislative agents and employers shall retain receipts or maintain records for all expenditures that are required to be reported pursuant to this section. These receipts or records shall be maintained for a period ending on the thirty-first day of December of the second calendar year after the year in which the expenditure was made.

(7) Any legislative agent or employer who fails to file a required statement of

expenditures, or who fails to remedy any deficiency in his or her filing in a timely manner may be fined by the commission an amount not to exceed one hundred dollars (\$100) per day, up to a maximum total fine of one thousand dollars (\$1,000) without the necessity of a complaint being filed, notwithstanding KRS 6.686(1)(a), but only after notice has been given to the alleged violator of the intent of the commission to impose a fine, including the amount of the fine, and an opportunity has been afforded the alleged violator to appear before the commission or otherwise offer evidence as he or she may choose in mitigation of the imposition of the fine.

- (8) Any legislative agent or employer who intentionally files a statement of expenditures which he or she knows to contain false information or to omit required information shall be guilty of a Class D felony.

→SECTION 8. A NEW SECTION OF KRS CHAPTER 7 IS CREATED TO READ AS FOLLOWS:

The Legislative Research Commission shall require all members of the General Assembly to attend a sexual and workplace harassment training course to be held at the beginning of each session of the General Assembly.

→Section 9. KRS 7.090 is amended to read as follows:

- (1) There is created a Legislative Research Commission as an independent agency in the legislative branch of state government, which is exempt from control by the executive branch and from reorganization by the Governor. The Commission shall have the duties, responsibilities, and powers assigned to it or authorized it by the General Assembly, by statute or otherwise.
- (2) The Legislative Research Commission shall be composed of the President of the Senate, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Speaker Pro Tempore of the House of Representatives, the majority and minority floor leaders of the Senate and the House of Representatives, the majority and minority whips of the Senate, the majority and minority whips of

1 the House, and the majority and minority caucus chairmen of the Senate and House
2 of Representatives. Any vacancy in the Commission shall be filled by the remaining
3 members thereof who are of the same chamber membership and political party
4 affiliation as the person having vacated Commission membership. If the vacancy is
5 in the membership of the House of Representatives, the successor shall be from the
6 House, and if the vacancy is from the Senate membership of the Commission, the
7 successor shall be from the Senate. A member thus elected to fill any vacancy shall
8 hold office for the unexpired term of his predecessor. The President of the Senate
9 and the Speaker of the House of Representatives shall serve as co-chairmen of the
10 Commission.

11 (3) The Legislative Research Commission shall meet during regular and special
12 sessions of the General Assembly, and during the intervals between sessions at such
13 times and places as the co-chairmen may determine. Meetings of the Commission
14 shall be called by the co-chairmen on their own initiative, or at the written request
15 of any three (3) members of the Commission. Any action of the Commission shall
16 require an affirmative roll call vote of a majority of the Commission's entire
17 membership. For attending meetings of the Commission or any of its
18 subcommittees whose membership consists only of members of the Commission
19 between sessions of the General Assembly, the members of the Commission shall
20 be paid their necessary traveling expenses and in addition thereto an amount per day
21 equal to the per diem compensation they receive during any session. For attending
22 meetings of interim joint committees or other Commission subcommittees,
23 members of the Commission shall be paid an amount per day equal to that received
24 by all other members of the committees or subcommittees who are not designated as
25 chairmen or co-chairmen thereof.

26 (4) The Commission shall appoint a director, who shall have had graduate training in
27 government in a recognized university or college or practical experience in

1 governmental administration, and who shall hold office at the pleasure of the
 2 Commission. The salary of the director shall be determined by the Commission.
 3 The Commission shall have exclusive jurisdiction over the employment of such
 4 personnel as may be necessary to effectuate the provisions of KRS 7.090 to 7.110.

5 (5) Any professional, clerical, or other employees required by any committee appointed
 6 by the General Assembly shall be provided to the committee by the Legislative
 7 Research Commission. The chairman of the committee shall advise the director of
 8 the Legislative Research Commission of his need for personnel. In the event that the
 9 personnel required by any committee cannot be met by the staff of the Legislative
 10 Research Commission, the director shall employ personnel as necessary to meet the
 11 needs of the committee, and shall fix the rate of compensation of the employees.

12 (6) The director shall, at the discretion of the Commission and under its supervision
 13 and control, provide for the allocation of the work and activities of all employees of
 14 the Commission.

15 (7) The director shall inform the President of the Senate, the Speaker of the House,
 16 and the Minority Floor Leaders of each chamber of any personnel matter or
 17 allegation of wrongdoing involving a member of the General Assembly that has
 18 potential of leading to litigation in which the General Assembly or Legislative
 19 Research Commission may be a party. The members so informed shall keep the
 20 matter confidential. The director shall inform the members within forty-eight (48)
 21 hours of becoming aware of the allegation or situation.

22 ~~(8)~~ The Commission may, in effectuating the provisions of KRS 7.090 to 7.110,
 23 contract with any public or private agency or educational institution or any
 24 individual for research studies; the gathering of information, or the printing and
 25 publication of its reports.

26 ~~(9)~~~~(8)~~ The Legislative Research Commission shall constitute administrative offices
 27 for the General Assembly and the director shall serve as administrative officer for

1 the assembly when it is not otherwise in session.

2 ~~(10)~~~~(9)~~ A Senate bill may be pre-filed or approved as pre-filed by an interim joint
3 committee if it receives the affirmative votes of a majority of the Senate members
4 of that interim joint committee. A House of Representatives bill may be pre-filed or
5 approved as pre-filed by an interim joint committee if it receives the affirmative
6 votes of a majority of the House members of that interim joint committee. An
7 interim joint committee shall not pre-file a bill or approve a bill as pre-filed in any
8 other manner.

9 ~~(11)~~~~(10)~~ The President of the Senate and the Speaker of the House of Representatives
10 shall have the authority to approve the in-state and out-of-state per diem and
11 expenses for members of their respective chambers.

12 ~~(12)~~~~(11)~~ The Legislative Research Commission shall display the national motto "In
13 God We Trust" on the wall directly above and behind the dais of the Speaker of the
14 House of Representatives. The display shall be consistent with the historic and
15 patriotic display of the national motto located directly above and behind the dais of
16 the Speaker of the United States House of Representatives.

17 ➔Section 10. KRS 7.410 is amended to read as follows:

18 (1) It is the intent of the General Assembly to provide an efficient system of common
19 schools which shall be operated without waste, duplication, mismanagement, and
20 political influence. The system of schools shall have the goal of providing all
21 students with at least the seven (7) capacities referred to in KRS 158.645.

22 (2) (a) An Office of Education Accountability is hereby created and shall be under
23 the direction of the Legislative Research Commission and shall be advised
24 and monitored by the Education Assessment and Accountability Review
25 Subcommittee.

26 (b) The Office of Education Accountability shall be administered by a deputy
27 director appointed by the Legislative Research Commission upon

1 recommendation of the director of the Legislative Research Commission. The
2 deputy director shall have the qualifications set by the Commission. The
3 salary of the deputy director shall be set by the Commission. The Commission
4 shall have exclusive jurisdiction over the employment of personnel necessary
5 to carry out the provisions of this section. The deputy director shall be subject
6 to the direction of and report to the director of the Legislative Research
7 Commission.

8 (c) The Office of Education Accountability shall have the following duties and
9 responsibilities:

10 1. Monitor the elementary and secondary public education system,
11 including actions taken and reports issued by the Kentucky Board of
12 Education, the Education Professional Standards Board, the
13 commissioner of education, the Department of Education, and local
14 school districts. Upon and under the direction of the Education
15 Assessment and Accountability Review Subcommittee, the monitoring
16 of the elementary and secondary public education system shall also
17 include periodic reviews of local district and school-based decision
18 making policies relating to the recruitment, interviewing, selection,
19 evaluation, termination, or promotion of personnel. The office shall
20 report any district or school when evidence demonstrates a pattern of
21 exclusionary personnel practices relating to race or sex to the Kentucky
22 Department of Education, which shall then independently investigate
23 facts raised in or associated with the report. The results of the
24 investigation conducted by the department shall be forwarded to the
25 Kentucky Board of Education which shall conduct an investigative
26 hearing on the matter.

27 2. Upon and under the direction of the Education Assessment and

1 Accountability Review Subcommittee, review the elementary and
2 secondary public education finance system. The review shall include an
3 analysis of the level of equity achieved by the funding system and
4 whether adequate funds are available to all school districts and an
5 analysis of the weights of various education program components
6 developed by the Department of Education. The review may also include
7 recommendations for the base per pupil funding for the Support
8 Education Excellence in Kentucky Program and a statewide salary
9 schedule, and studies of other finance issues identified by the Education
10 Assessment and Accountability Review Subcommittee.

- 11 3. Upon and under the direction of the Education Assessment and
12 Accountability Review Subcommittee, verify the accuracy of reports of
13 school, district, and state performance by conducting, requesting, or
14 upon approval of the Legislative Research Commission, contracting for
15 periodic program and fiscal audits. Upon and under the direction of the
16 Education Assessment and Accountability Review Subcommittee, the
17 Office of Education Accountability shall monitor and verify the accuracy
18 of reports of the Department of Education and the Kentucky Board of
19 Education, including but not limited to the annual fiscal conditions of
20 grants, categorical programs, and other educational initiatives set forth
21 by the General Assembly.
- 22 4. Investigate allegations of wrongdoing of any person or agency, including
23 but not limited to waste, duplication, mismanagement, political
24 influence, and illegal activity at the state, regional, or school district
25 level; make appropriate referrals to other agencies with jurisdiction over
26 those allegations; and make recommendations for legislative action to
27 the Education Assessment and Accountability Review Subcommittee.

1 Upon acceptance by the subcommittee, recommendations for legislative
2 action shall be forwarded to the Legislative Research Commission. The
3 Office of Education Accountability shall submit to the subcommittee,
4 for each of its regular meetings, a report that summarizes investigative
5 activity initiated pursuant to this subparagraph. The subcommittee may
6 consider each report as it determines and in its discretion. Each report,
7 and the consideration thereof by the subcommittee, shall be exempt from
8 the open records and open meetings requirements contained in KRS
9 Chapter 61.

- 10 5. Upon and under the direction of the Education Assessment and
11 Accountability Review Subcommittee, conduct studies, analyze, verify,
12 and validate the state assessment program through other external
13 indicators of academic progress including but not limited to American
14 College Test scores, Scholastic Assessment Test scores, National
15 Assessment of Educational Progress scores, Preliminary Scholastic
16 Assessment Test scores, Advanced Placement Program participation,
17 standardized test scores, college remediation rates, retention and
18 attendance rates, dropout rates, and additional available data on the
19 efficiency of the system of schools and whether progress is being made
20 toward attaining the goal of providing students with the seven (7)
21 capacities as required by KRS 158.645.
- 22 6. Make periodic reports to the Education Assessment and Accountability
23 Review Subcommittee as directed by the subcommittee. Upon
24 acceptance by the subcommittee, the reports shall be forwarded to the
25 Legislative Research Commission.
- 26 7. Make periodic reports to the Legislative Research Commission as may
27 be directed by the Commission.

1 8. Prepare an annual report, which shall consist of a summary of the status
2 and results of the current year annual research agenda provided in
3 paragraph (d) of this subsection, a summary of completed investigative
4 activity conducted pursuant to subparagraph 4. of this paragraph, and
5 other items of significance as determined by the Education Assessment
6 and Accountability Review Subcommittee. The annual report shall be
7 submitted to the Education Assessment and Accountability Review
8 Subcommittee. Upon acceptance by the subcommittee, the annual report
9 shall be submitted to the Governor, the Legislative Research
10 Commission, and the Kentucky Board of Education.

11 (d) On or before December 1 of each calendar year, the Education Assessment
12 and Accountability Review Subcommittee shall adopt the annual research
13 agenda for the Office of Education Accountability. The annual research
14 agenda may include studies, research, and investigations considered to be
15 significant by the Education Assessment and Accountability Review
16 Subcommittee. Staff of the Office of Education Accountability shall prepare a
17 suggested list of study and research topics related to elementary and secondary
18 public education for consideration by the Education Assessment and
19 Accountability Review Subcommittee in the development of the annual
20 research agenda. An adopted annual research agenda shall be amended to
21 include any studies mandated by the next succeeding General Assembly for
22 completion by the Office of Education Accountability.

23 (e) The Office of Education Accountability shall have access to all public records
24 and information on oath as provided in KRS 7.110. The office shall also have
25 access to otherwise confidential records, meetings, and hearings regarding
26 local school district personnel matters. However, the office shall not disclose
27 any information contained in or derived from the records, meetings, and

1 hearings that would enable the discovery of the specific identification of any
2 individual who is the focus or subject of the personnel matter.

3 (f) In compliance with KRS 48.800, 48.950, and 48.955, the Finance and
4 Administration Cabinet and the Governor's Office for Policy and Management
5 shall provide to the Office of Education Accountability access to all
6 information and records, other than preliminary work papers, relating to
7 allotment of funds, whether by usual allotment or by other means, to the
8 Department of Education, local school districts, and to other recipients of
9 funds for educational purposes.

10 (g) Any state agency receiving a complaint or information which, if accurate, may
11 identify a violation of the Kentucky Education Reform Act of 1990, 1990 Ky.
12 Acts ch. 476, shall notify the office of the complaint or information.

13 (h) The Office of Education Accountability may contract for services as approved
14 by the Legislative Research Commission pursuant to KRS 7.090~~(8)~~~~((7))~~.

15 (3) The provisions of KRS 61.878 or any other statute, including Acts of the 1992
16 Regular Session of the General Assembly to the contrary notwithstanding, the
17 testimony of investigators, work products, and records of the Office of Education
18 Accountability relating to duties and responsibilities under subsection (2) of this
19 section shall be privileged and confidential during the course of an ongoing
20 investigation or until authorized, released, or otherwise made public by the Office
21 of Education Accountability and shall not be subject to discovery, disclosure, or
22 production upon the order or subpoena of a court or other agency with subpoena
23 power.

24 ➔Section 11. KRS 11A.010 is amended to read as follows:

25 As used in this chapter, unless the context otherwise requires:

26 (1) "Business" means any corporation, limited liability company, partnership, limited
27 partnership, sole proprietorship, firm, enterprise, franchise, association,

1 organization, self-employed individual, holding company, joint stock company,
2 receivership, trust, or any legal entity through which business is conducted, whether
3 or not for profit;

4 (2) "Commission" means the Executive Branch Ethics Commission;

5 (3) "Compensation" means any money, thing of value, or economic benefit conferred
6 on, or received by, any person in return for services rendered, or to be rendered, by
7 himself or another;

8 (4) "Family" means spouse and children, as well as a person who is related to a public
9 servant as any of the following, whether by blood or adoption: parent, brother,
10 sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-
11 in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter,
12 stepbrother, stepsister, half brother, half sister;

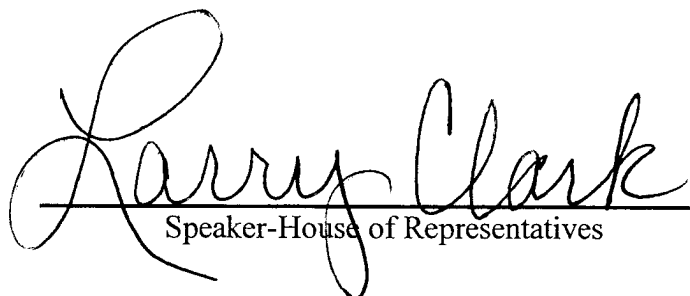
13 (5) "Gift" means a payment, loan, subscription, advance, deposit of money, services, or
14 anything of value, unless consideration of equal or greater value is received; "gift"
15 does not include gifts from family members, campaign contributions, or door prizes
16 available to the public;


17 (6) "Income" means any money or thing of value received or to be received as a claim
18 on future services, whether in the form of a fee, salary, expense allowance,
19 forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other
20 form of compensation or any combination thereof;


21 (7) "Officer" means all major management personnel in the executive branch of state
22 government, including the secretary of the cabinet, the Governor's chief executive
23 officers, cabinet secretaries, deputy cabinet secretaries, general counsels,
24 commissioners, deputy commissioners, executive directors, principal assistants,
25 division directors, members and full-time chief administrative officers of the Parole
26 Board, Board of Tax Appeals, Board of Claims, Kentucky Retirement Systems
27 board of trustees, Kentucky Teachers' Retirement System board of trustees, Public

- 1 Service Commission, Worker's Compensation Board and its administrative law
 2 judges, the Kentucky Occupational Safety and Health Review Commission, the
 3 Kentucky Board of Education, the Council on Postsecondary Education, and any
 4 person who holds a personal service contract to perform on a full-time basis for a
 5 period of time not less than six (6) months a function of any position listed in this
 6 subsection;
- 7 (8) "Official duty" means any responsibility imposed on a public servant by virtue of
 8 his or her position in the state service;
- 9 (9) "Public servant" means:
- 10 (a) The Governor;
- 11 (b) The Lieutenant Governor;
- 12 (c) The Secretary of State;
- 13 (d) The Attorney General;
- 14 (e) The Treasurer;
- 15 (f) The Commissioner of Agriculture;
- 16 (g) The Auditor of Public Accounts; and
- 17 (h) All employees in the executive branch including officers as defined in
 18 subsection (7) of this section and merit employees;
- 19 (10) "Agency" means every state office, cabinet, department, board, commission, public
 20 corporation, or authority in the executive branch of state government. A public
 21 servant is employed by the agency by which his or her appointing authority is
 22 employed, unless his or her agency is attached to the appointing authority's agency
 23 for administrative purposes only, or unless the agency's characteristics are of a
 24 separate independent nature distinct from the appointing authority and it is
 25 considered an agency on its own, such as an independent department;
- 26 (11) "Lobbyist" means any person employed as a legislative agent as defined in KRS
 27 6.611(23)~~[(22)]~~ or any person employed as an executive agency lobbyist as defined

- 1 in KRS 11A.201(8);
- 2 (12) "Lobbyist's principal" means the entity in whose behalf the lobbyist promotes,
3 opposes, or acts;
- 4 (13) "Candidate" means those persons who have officially filed candidacy papers or who
5 have been nominated by their political party pursuant to KRS 118.105, 118.115,
6 118.325, or 118.760 for any of the offices enumerated in subsections (9)(a) to (g) of
7 this section;
- 8 (14) "Does business with" or "doing business with" means contracting, entering into an
9 agreement, leasing, or otherwise exchanging services or goods with a state agency
10 in return for payment by the state, including accepting a grant, but not including
11 accepting a state entitlement fund disbursement;
- 12 (15) "Public agency" means any governmental entity;
- 13 (16) "Appointing authority" means the agency head or any person whom he or she has
14 authorized by law to act on behalf of the agency with respect to employee
15 appointments;
- 16 (17) "Represent" means to attend an agency proceeding, write a letter, or communicate
17 with an employee of an agency on behalf of someone else;
- 18 (18) "Directly involved" means to work on personally or to supervise someone who
19 works on personally;
- 20 (19) "Sporting event" means any professional or amateur sport, athletic game, contest,
21 event, or race involving machines, persons, or animals, for which admission tickets
22 are offered for sale and that is viewed by the public; and
- 23 (20) "Person" means an individual, proprietorship, firm, partnership, limited partnership,
24 joint venture, joint stock company, syndicate, business or statutory trust, donative
25 trust, estate, company, corporation, limited liability company, association, club,
26 committee, organization, or group of persons acting in concert.


Speaker-House of Representatives


President of Senate

Attest: 
Chief Clerk of House of Representatives

Approved 
Governor

Date 4/10/14